

# Foreign Direct Investment in the United States in 1980

**HIGHLIGHTS** of foreign direct investment in the United States in 1980 were:

- The foreign direct investment position increased 20 percent, to \$65.5 billion, following a 28-percent increase in 1979. The position increased 24 percent in petroleum, 16 percent in manufacturing, and 23 percent in other industries.

- Capital inflows declined moderately, to \$10.9 billion, following a 50-percent increase in 1979. The decline was entirely in equity and intercompany account inflows; reinvested earnings of incorporated affiliates increased substantially.

- Equity and intercompany account inflows declined 41 percent, to \$4.7 billion, after a 49-percent increase. The decline was entirely attributable to a large shift to net outflows for intercompany account transactions; inflows for capital stock and other equity remained at about the same high level as in 1979—an indication that foreign direct investors' interest in the United States remains strong.

- Reinvested earnings of incorporated affiliates increased 57 percent, to \$6.2 billion, following a similar increase in 1979. The increase reflected larger earnings and, to a lesser extent, higher reinvestment ratios.

**NOTE.**—The quarterly survey from which these annual estimates were derived was conducted under the supervision of James L. Bonkamp, Chief, Direct Investment in the United States Branch, International Investment Division. Project leader Gregory G. Fouch was responsible for preparing estimates. Marie Colosimo edited and processed the forms. Ronald Reed designed the computer programs for data retrieval and analysis.

- Direct investment income increased 47 percent, to \$9.3 billion, following a 51-percent increase.

## Foreign Direct Investment Position

At yearend 1980, the foreign direct investment position in the United States was \$65.5 billion (table 1). The position is the book value of foreign direct investors' equity in, and net outstanding loans to, their U.S. affiliates. (A U.S. affiliate is a U.S. business enterprise in which one foreign person owns, directly or indirectly, 10 percent or more of the voting securities, or the equivalent.)

By area of foreign parent, the composition of the position did not change significantly from yearend 1979.<sup>1</sup> About 66 percent of the position continued to be accounted for by parents in Europe, 15 percent by those in Canada, and 6 percent by those in Japan (table 2). The remainder was mostly accounted

for by parents in Latin America, particularly in the Netherlands Antilles.

As in 1979, ownership was highly concentrated by country. Almost 90 percent of the total was accounted for by the eight countries with the largest positions. The Netherlands accounted for 25 percent, the United Kingdom for 17 percent, and Canada for 15 percent. Germany, the Netherlands Antilles, Japan, and Switzerland each accounted for from 6 to 8 percent, and France for 4 percent. The members of the Organization of Petroleum Exporting Countries (OPEC) together accounted for less than 1 percent of the total, unchanged from 1979. Their position was largely in real estate and trade.

By industry of affiliate, 37 percent of the position was in manufacturing, about 20 percent each in trade and petroleum, 8 percent in insurance, and 16 percent in "other" industries. In manufacturing, about 33 percent was in chemicals, 17 percent each in food and machinery, and 15 percent in metals.

Real estate, which is included in "other" industries, accounted for about 4 percent of the total position; the positions of parents in Canada, the Netherlands, and "other Western Hemisphere" were particularly large. However, this estimate does not represent the total asset value of U.S. real estate owned by foreign parents. It includes only direct investment in U.S. affiliates that are classified in the real estate industry. Direct investment in affiliates in other industries, which may also hold real estate, is classified in the industries of those affiliates. Furthermore, the position in real estate affiliates reflects

1. The foreign parent is the first foreign person in the chain of ownership of a U.S. affiliate. However, the data in this article cover positions and transactions of U.S. affiliates, not only with their foreign parents, as defined, but also with foreign affiliates of their foreign parents. Thus, to simplify terminology in this article, the term "foreign parent" is used more broadly to include foreign affiliates of foreign parents as well.

In classifying data by country of foreign parent in this article, the country used is that of either the foreign parent, as strictly defined, or of the foreign affiliate of the foreign parent with whom the transaction occurred. It should be noted that the country of the foreign parent may differ from that of the ultimate beneficial owner (UBO). The UBO is that person, beginning with the foreign parent, that is not owned more than 50 percent by another person. Affiliates whose foreign parents are in the Netherlands Antilles, Panama, Bermuda, and, to a lesser degree, the Netherlands, are especially likely to have UBO's in other countries.

only the portion of total real estate held by such affiliates that is financed with funds from foreign parents. That portion may be small relative to the total because real estate investments usually are highly leveraged—the ratio of loans (largely from unaffiliated sources) to investors' funds used for equity purchases normally is high.

Investment in incorporated affiliates accounted for 94 percent of the position; it was mostly equity (capital stock and retained earnings) rather than debt (intercompany accounts) (table 3). Investment in unincorporated affiliates—shown as a single summary account representing the parents' total claims, both equity and debt, on affiliates' net assets—accounted for the remainder.

### 1980 Addition

The addition to the position was \$11.0 billion, compared with \$12.0 billion in 1979. The addition consisted of capital inflows of \$10.9 billion and valuation adjustments of \$0.2 billion. Capital inflows, in turn, consisted of equity and intercompany account inflows of \$4.7 billion and reinvested earnings of incorporated affiliates of \$6.2 billion.

By country of foreign parent, the eight countries with the largest additions accounted for 93 percent of the total. The Netherlands accounted for 32 percent, Canada for 24 percent, and the United Kingdom for 14 percent. The Netherlands Antilles and Japan accounted for 8 and 7 percent, respec-

tively, and France, Belgium and Luxembourg, and Switzerland for about 2 to 3 percent each.

Compared with 1979, the composition of the addition changed significantly by area. The share accounted for by affiliates with parents in Canada increased from 8 percent to 24 percent, and the shares accounted for by affiliates with parents in Europe and "other" countries declined—from 69 percent to 55 percent and from 17 percent to 14 percent, respectively. The share accounted for by Japanese-owned affiliates, at 7 percent, was about the same as in 1979.

The composition of the addition changed less significantly by industry than by area. Manufacturing continued

Table 1.—Foreign Direct Investment Position in the United States, 1979–80

(Millions of dollars)

|                                      | Position,<br>year-end<br>1978 | Addition in 1979 |                 |  |  | Position,<br>year-end<br>1979 | Addition in 1980              |        |                 |  | Position,<br>year-end<br>1980 |                               |  |
|--------------------------------------|-------------------------------|------------------|-----------------|--|--|-------------------------------|-------------------------------|--------|-----------------|--|-------------------------------|-------------------------------|--|
|                                      |                               | Total            | Capital inflows |  |  |                               | Valuation<br>adjust-<br>ments | Total  | Capital inflows |  |                               | Valuation<br>adjust-<br>ments |  |
|                                      |                               |                  | Total           | Equity and<br>inter-<br>company<br>account<br>inflows<br>(outflows<br>(-)) | Reinvested<br>earnings of<br>incor-<br>porated<br>affiliates |                               |                               |        | Total           | Equity and<br>inter-<br>company<br>account<br>inflows<br>(outflows<br>(-)) |                               |                               | Reinvested<br>earnings of<br>incor-<br>porated<br>affiliates |
| All areas.....                       | 42,471                        | 11,991           | 11,277          | 7,028  | 3,955  | 114                           | 54,483                        | 11,021 | 10,854          | 4,664  | 8,280                         | 867                           | 65,483   |
| Petroleum.....                       | 7,702                         | 2,144            | 2,144           | 400  | 1,645  | 0                             | 0,000                         | 2,347  | 2,347           | -324   | 2,671                         | 0                             | 12,369   |
| Manufacturing.....                   | 17,302                        | 3,674            | 3,672           | 2,067  | 1,000  | 1                             | 20,870                        | 3,228  | 3,200           | 1,683  | 1,570                         | -2                            | 24,134   |
| Trade.....                           | 0,301                         | 2,401            | 2,394           | 1,708  | 628  | 7                             | 11,502                        | 2,211  | 2,203           | 1,343  | 960                           | 8                             | 13,772   |
| Insurance.....                       | 2,773                         | 1,274            | 1,408           | 1,408  | 240  | -31                           | 4,148                         | 912    | 912             | 468  | 424                           | 0                             | 5,000  |
| Other.....                           | 5,573                         | 2,298            | 2,258           | 1,821  | 438  | 140                           | 7,071                         | 2,262  | 2,133           | 1,573  | 550                           | 161                           | 10,204   |
| Canada.....                          | 8,380                         | 976              | 931             | 532  | 399  | 44                            | 7,154                         | 2,625  | 2,499           | 1,032  | 1,567                         | 56                            | 9,815  |
| Petroleum.....                       | 734                           | 200              | 200             | 130  | 70   | 0                             | 943                           | 104    | 104             | 0  | 101                           | 0                             | 1,137  |
| Manufacturing.....                   | 3,213                         | 402              | 402             | 229  | 103  | 0                             | 3,016                         | 1,532  | 1,532           | 213  | 1,320                         | 0                             | 4,148  |
| Trade.....                           | 007                           | 4                | 4               | -37  | 41   | 0                             | 911                           | 237    | 178             | 118  | 60                            | 80                            | 1,148  |
| Insurance.....                       | 200                           | 00               | 00              | 00   | 1  | 0                             | 278                           | 100    | 100             | 0  | -2                            | 0                             | 444  |
| Other.....                           | 1,110                         | 290              | 286             | 131  | 115  | 44                            | 1,406                         | 520    | 520             | 441  | 88                            | -3                            | 1,932  |
| Europe.....                          | 20,380                        | 8,223            | 8,189           | 5,428  | 2,721  | 64                            | 37,483                        | 6,065  | 5,898           | 2,898  | 1,400                         | 84                            | 43,467   |
| Petroleum.....                       | 0,500                         | 1,441            | 1,441           | 65   | 1,376  | 0                             | 8,010                         | 1,874  | 1,890           | -323   | 2,213                         | -15                           | 9,884  |
| Manufacturing.....                   | 11,717                        | 2,390            | 2,340           | 1,572  | 608  | -4                            | 13,932                        | 1,084  | 1,085           | 561  | 135                           | -2                            | 15,080   |
| Trade.....                           | 0,023                         | 1,610            | 1,610           | 1,620  | 200  | 0                             | 7,828                         | 1,090  | 1,123           | 742  | 362                           | -53                           | 8,908  |
| Insurance.....                       | 2,291                         | 1,198            | 1,221           | 1,041  | 180  | -34                           | 3,449                         | 703    | 703             | 348  | 355                           | 0                             | 4,162  |
| Other.....                           | 2,041                         | 1,663            | 1,497           | 1,240  | 208  | 90                            | 4,154                         | 1,333  | 1,188           | 882  | 316                           | 135                           | 6,488  |
| United Kingdom.....                  | 7,828                         | 2,188            | 2,143           | 1,777  | 366  | 10                            | 8,786                         | 1,546  | 1,588           | 850  | 701                           | -5                            | 11,342   |
| Petroleum.....                       | 402                           | -293             | -293            | (*)  | (*)  | 0                             | 180                           | -340   | -331            | -328   | 7                             | -15                           | -147   |
| Manufacturing.....                   | 3,014                         | 533              | 530             | 206  | 221  | 4                             | 3,547                         | 730    | 730             | 642  | 188                           | 0                             | 4,277  |
| Trade.....                           | 2,217                         | 624              | 624             | 680  | 138  | 0                             | 3,041                         | 502    | 502             | 382  | 209                           | 0                             | 3,633  |
| Insurance.....                       | 1,482                         | 280              | 278             | 178  | 102  | 11                            | 1,782                         | 355    | 355             | 160  | 0                             | 0                             | 2,138  |
| Other.....                           | 423                           | 804              | 804             | (*)  | (*)  | 0                             | 1,227                         | 210    | 200             | 304  | 102                           | 10                            | 1,433  |
| Europe excluding United Kingdom..... | 11,542                        | 6,065            | 6,038           | 3,853  | 2,355  | 48                            | 27,607                        | 4,518  | 4,468           | 1,748  | 2,696                         | 71                            | 32,136   |
| Petroleum.....                       | 0,077                         | 1,734            | 1,734           | (*)  | (*)  | 0                             | 7,811                         | 2,221  | 2,221           | 15   | 2,206                         | 0                             | 10,081   |
| Manufacturing.....                   | 8,703                         | 1,703            | 1,703           | 1,263  | 447  | -8                            | 10,406                        | 354    | 368             | 409  | -54                           | -2                            | 10,766   |
| Trade.....                           | 3,804                         | 801              | 801             | 834  | 182  | 8                             | 4,707                         | 478    | 521             | 268  | 172                           | -53                           | 5,278  |
| Insurance.....                       | 719                           | 808              | 843             | 805  | 78   | -45                           | 1,007                         | 340    | 340             | 189  | 150                           | 0                             | 2,018  |
| Other.....                           | 2,188                         | 730              | 643             | (*)  | (*)  | 00                            | 2,427                         | 1,117  | 902             | 778  | 214                           | 125                           | 4,035  |
| Japan.....                           | 2,748                         | 744              | 744             | 282  | 492  | 8                             | 1,483                         | 726    | 726             | 98   | 638                           | 8                             | 4,219  |
| Petroleum.....                       | (*)                           | (*)              | (*)             | (*)  | 38   | 0                             | 100                           | -108   | -108            | (*)  | (*)                           | 0                             | 82   |
| Manufacturing.....                   | 474                           | 222              | 222             | 180  | 63   | 0                             | 000                           | 138    | 138             | 121  | 12                            | 0                             | 624  |
| Trade.....                           | 1,622                         | 245              | 245             | 47   | 201  | 0                             | 1,707                         | 484    | 484             | -61  | 545                           | 0                             | 2,251  |
| Insurance.....                       | (*)                           | (*)              | (*)             | (*)  | 1  | 0                             | 61                            | 24     | 24              | (*)  | (*)                           | 0                             | 86   |
| Other.....                           | 327                           | 182              | 182             | 103  | 70   | 0                             | 808                           | 168    | 168             | 112  | 70                            | 0                             | 900  |
| Other.....                           | 4,342                         | 2,060            | 2,043           | 1,379  | 673  | 7                             | 4,412                         | 1,575  | 1,525           | 942  | 607                           | 45                            | 7,487  |
| Petroleum.....                       | (*)                           | (*)              | (*)             | (*)  | 162  | 0                             | 703                           | 397    | 372             | (*)  | (*)                           | 15                            | 1,180  |
| Manufacturing.....                   | 1,786                         | 814              | 800             | 587  | 122  | 6                             | 2,012                         | 503    | 503             | 303  | 108                           | 0                             | 2,113  |
| Trade.....                           | 709                           | 330              | 336             | 330  | 6  | 1                             | 1,045                         | 420    | 428             | 446  | -27                           | 2                             | 1,485  |
| Insurance.....                       | (*)                           | (*)              | (*)             | (*)  | 58   | 0                             | 308                           | 18     | 10              | (*)  | (*)                           | 0                             | 378  |
| Other.....                           | 1,318                         | 384              | 383             | 247  | 58   | (*)                           | 1,003                         | 210    | 217             | 138  | 78                            | 20                            | 1,843  |

\*Less than \$500,000 (±).

† Suppressed to avoid disclosure of data of individual companies.

to account for about 80 percent of the addition, and trade and "other" for about 20 percent each. The share of petroleum increased moderately to 21 percent, and that of insurance declined to 8 percent.

By component, the shares of capital inflows and valuation adjustments remained about the same as in 1979-80 and 2 percent, respectively. The composition of capital inflows changed significantly; the share of equity and intercompany account inflows declined from 66 percent to 42 percent, and that of reinvested earnings increased from 33 percent to 56 percent. These changes reflected both a sharp increase in reinvested earnings, which was concentrated in petroleum, and a decline in equity and intercompany account inflows. In dollar amounts, reinvested earnings exceeded equity and intercompany account inflows for the first time since 1974.<sup>2</sup>

#### Equity and intercompany account inflows

Equity and intercompany account inflows were \$4.7 billion, down \$3.3 billion from 1979 (table 4).<sup>3</sup> Inflows to incor-

porated affiliates were \$4.1 billion; they consisted of \$4.2 billion of inflows for capital stock, partly offset by \$0.1 billion of outflows for intercompany account transactions. Inflows to unincorporated affiliates were \$0.6 billion.

Compared with 1979, inflows to incorporated affiliates were down \$3.2 billion, and those to unincorporated affiliates were down \$0.1 billion. The decline in inflows to incorporated affiliates was more than accounted for by a shift from net inflows to very small net outflows on intercompany accounts. Inflows for capital stock increased slightly, to \$4.2 billion, from a high 1979 level. In both years, these inflows financed a number of large acquisitions of new affiliates, as well as expansions of existing affiliates.<sup>4</sup>

estimate that was published in the August 1980 issue of the *SURVEY OF CURRENT BUSINESS*. The upward revision mainly reflected the inclusion of late reports.

4. BEA recently initiated a survey on new acquisitions and establishments of U.S. business enterprises by foreign direct investors. It covers the full cost of such acquisitions and establishments, regardless of how or by whom they were financed, presents selected operating and financial data of the acquired or established enterprises, and provides information on ultimate beneficial ownership. In contrast, this article covers existing U.S. affiliates as well as U.S. business enterprises acquired or newly established. Thus, while the capital flow data in this article include inflows from foreign parents to acquire or establish U.S. business enterprises, these inflows cannot be entirely separated from other capital flows between foreign parents and their U.S. affiliates. Also, they represent only the portion of the total cost of acquisitions and establishments that is financed by foreign parents. For findings of the new survey for 1980, see "U.S. Business Enterprises Acquired or Established by Foreign Direct Investors in 1980" on page 67.

Table 2.—Composition of Foreign Direct Investment in the United States, 1979-80

|   | (Percent)          |                      |                    |                      |
|---|--------------------|----------------------|--------------------|----------------------|
|   | 1979               |                      | 1980               |                      |
|   | Position, year-end | Addition to position | Position, year-end | Addition to position |
| Total.....  | 100                | 100                  | 100                | 100                  |
| By component:                                       |                    |                      |                    |                      |
| Capital inflows.....                                | n.a.               | 90                   | n.a.               | 98                   |
| Equity and intercompany account inflows.....        | n.a.               | 66                   | n.a.               | 42                   |
| Reinvested earnings of incorporated affiliates..... | n.a.               | 33                   | n.a.               | 56                   |
| Valuation adjustments.....                          | n.a.               | 1                    | n.a.               | 2                    |
| By type of affiliate and account:                   |                    |                      |                    |                      |
| Incorporated.....                                   | 94                 | 94                   | 94                 | 96                   |
| Capital stock and retained earnings.....            | 74                 | 68                   | 78                 | 95                   |
| Intercompany accounts.....                          | 20                 | 26                   | 17                 | (*)                  |
| Unincorporated.....                                 | 6                  | 6                    | 6                  | 6                    |
| By area:  |                    |                      |                    |                      |
| Canada.....   | 15                 | 8                    | 15                 | 24                   |
| Europe.....   | 66                 | 69                   | 66                 | 55                   |
| United Kingdom.....                                 | 18                 | 13                   | 17                 | 14                   |
| Europe excluding United Kingdom.....                | 51                 | 61                   | 49                 | 41                   |
| Of which:   |                    |                      |                    |                      |
| France.....   | 4                  | 3                    | 4                  | 3                    |
| Germany.....  | 10                 | 17                   | 8                  | —                    |
| Netherlands.....                                    | 23                 | 22                   | 25                 | 32                   |
| Switzerland.....                                    | 6                  | 5                    | 6                  | 2                    |
| Japan.....  | 6                  | 6                    | 8                  | 7                    |
| Other.....  | 12                 | 17                   | 12                 | 14                   |
| Of which, Netherlands Antilles.....                 | 7                  | 11                   | 7                  | 8                    |
| By industry:  |                    |                      |                    |                      |
| Petroleum.....                                      | 18                 | 13                   | 19                 | 21                   |
| Manufacturing.....                                  | 38                 | 31                   | 37                 | 30                   |
| Trade.....  | 31                 | 29                   | 21                 | 20                   |
| Insurance.....                                      | 8                  | 11                   | 8                  | 8                    |
| Other.....  | 15                 | 20                   | 15                 | 21                   |
| Manufacturing:                                      |                    |                      |                    |                      |
| OPEC.....   | 1                  | (*)                  | 1                  | 2                    |

n.a. Not applicable. (\*) Less than 0.5 percent (sh.).

1. Capital stock includes additional paid-in capital.

2. Part of "Other Western Hemisphere."

3. Members of the Organization of Petroleum Exporting Countries (OPEC) are: Algeria, Ecuador, Gabon, Indonesia, Iran, Iraq, Kuwait, Libya, Nigeria, Qatar, Saudi Arabia, Venezuela, and United Arab Emirates.

Table 3.—Foreign Direct Investment Position in the United States, by Type of Affiliate and Account, 1979-80

(Millions of dollars)

|                                      | Year-end 1979 |                         |  |                        |                           | Year-end 1980 |                         |  |                        |                           |
|--------------------------------------|---------------|-------------------------|--|------------------------|---------------------------|---------------|-------------------------|--|------------------------|---------------------------|
|                                      | Total         | Incorporated affiliates |  |                        | Unincorporated affiliates | Total         | Incorporated affiliates |  |                        | Unincorporated affiliates |
|                                      |               | Total                   | Capital stock and retained earnings <sup>1</sup> | Inter-company accounts |                           |               | Total                   | Capital stock and retained earnings <sup>1</sup> | Inter-company accounts |                           |
| Total.....                           | 64,463        | 51,283                  | 48,282   | 10,991                 | 3,179                     | 68,493        | 41,758                  | 64,968   | 10,459                 | 3,743                     |
| By area:                             |               |                         |  |                        |                           |               |                         |  |                        |                           |
| Canada.....                          | 7,154         | 6,708                   | 6,381  | 1,327                  | 380                       | 9,810         | 9,177                   | 7,400  | 1,777                  | 633                       |
| Europe.....                          | 37,400        | 30,623                  | 28,325   | 7,298                  | 1,880                     | 42,487        | 41,389                  | 24,963   | 6,426                  | 2,078                     |
| United Kingdom.....                  | 8,796         | 8,885                   | 7,043  | 1,842                  | 101                       | 11,242        | 10,349                  | 8,848  | 1,501                  | 1,053                     |
| Europe excluding United Kingdom..... | 27,097        | 20,028                  | 21,282   | 0,386                  | 079                       | 32,128        | 31,040                  | 26,116   | 4,924                  | 1,025                     |
| Japan.....                           | 3,490         | 3,390                   | 3,346  | 44                     | 50                        | 4,219         | 4,219                   | 4,000  | 219                    | 128                       |
| Other.....                           | 6,412         | 5,697                   | 3,720  | 1,876                  | 800                       | 7,897         | 7,804                   | 4,537  | 2,567                  | 593                       |
| By industry:                         |               |                         |  |                        |                           |               |                         |  |                        |                           |
| Petroleum.....                       | 9,000         | 8,834                   | 8,832  | 882                    | 72                        | 12,263        | 12,154                  | 11,821   | 333                    | 97                        |
| Manufacturing.....                   | 20,870        | 20,772                  | 18,844   | 4,928                  | 104                       | 24,184        | 24,903                  | 19,573   | 4,488                  | 70                        |
| Trade.....                           | 11,502        | 7,253                   | 7,004  | 4,249                  | 208                       | 13,772        | 13,822                  | 8,003  | 4,828                  | 351                       |
| Insurance.....                       | 4,148         | 2,634                   | 2,321  | 313                    | 1,518                     | 8,040         | 3,126                   | 2,888  | 243                    | 1,032                     |
| Other.....                           | 7,071         | 6,889                   | 6,282  | 428                    | 1,281                     | 10,204        | 8,781                   | 7,920  | 861                    | 1,463                     |

1. Includes additional paid-in capital.

Table 4.—Equity and Intercompany Account Inflows, by Type of Affiliate, 1979-80

[Millions of dollars; outflow (-)]

|                                      | 1979  |   |                            |           |           |                       |                                      | 1980  |   |       |                            |           |           |                                      |                       |
|--------------------------------------|-------|---|----------------------------|-----------|-----------|-----------------------|--------------------------------------|-------|---|-------|----------------------------|-----------|-----------|--------------------------------------|-----------------------|
|                                      | Total | Inflows to incorporated affiliates <sup>1</sup> |                            |           |           |                       | Inflows to unincorporated affiliates | Total | Inflows to incorporated affiliates <sup>1</sup> |       |                            |           |           | Inflows to unincorporated affiliates |                       |
|                                      |       | Total   | Capital stock <sup>2</sup> |           |           | Intercompany accounts |                                      |       | Total   | Total | Capital stock <sup>2</sup> |           |           |                                      | Intercompany accounts |
|                                      |       |   | Total                      | Increases | Decreases |                       |                                      |       |   |       | Total                      | Increases | Decreases |                                      |                       |
| Total.....                           | 7,821 | 7,288   | 4,090                      | 4,493     | -324      | 3,373                 | 680                                  | 4,464 | 4,110   | 4,161 | 4,591                      | -433      | -51       | 554                                  |                       |
| By area:                             |       |   |                            |           |           |                       |                                      |       |   |       |                            |           |           |                                      |                       |
| Canada.....                          | 532   | 485   | 383                        | 420       | -27       | 72                    | 90                                   | 1,032 | 780   | 395   | 703                        | -108      | 191       | 247                                  |                       |
| Europe.....                          | 5,438 | 5,161   | 3,475                      | 3,574     | -109      | 1,070                 | 287                                  | 2,329 | 2,400   | 3,183 | 3,417                      | -234      | -262      | 100                                  |                       |
| United Kingdom.....                  | 1,777 | 1,070   | 1,039                      | 1,004     | -24       | 130                   | 107                                  | 836   | 758   | 1,108 | 1,273                      | -165      | -230      | 12                                   |                       |
| Europe excluding United Kingdom..... | 3,662 | 3,481   | 2,436                      | 2,570     | -174      | 1,040                 | 180                                  | 1,749 | 1,643   | 2,054 | 2,144                      | -90       | -412      | 107                                  |                       |
| Japan.....                           | 282   | 281   | 106                        | 172       | -6        | 115                   | 1                                    | 80    | 80  | 220   | (D)                        | (D)       | -151      | 31                                   |                       |
| Other.....                           | 1,670 | 1,384   | 85                         | 148       | -93       | 1,300                 | 306                                  | 943   | 905   | 184   | (D)                        | (D)       | 681       | 77                                   |                       |
| By industry:                         |       |   |                            |           |           |                       |                                      |       |   |       |                            |           |           |                                      |                       |
| Petroleum.....                       | 499   | 482   | 167                        | 377       | -9        | 205                   | 37                                   | -324  | -340  | 198   | (D)                        | (D)       | -548      | 20                                   |                       |
| Manufacturing.....                   | 2,687 | 2,587   | 1,290                      | 1,458     | -213      | 1,441                 | -20                                  | 1,889 | 1,717   | 2,137 | 2,245                      | -88       | -439      | -34                                  |                       |
| Trade.....                           | 1,708 | 1,594   | 672                        | 713       | -41       | 1,021                 | 72                                   | 1,343 | 1,301   | 723   | 784                        | -63       | -579      | -86                                  |                       |
| Insurance.....                       | 1,108 | 911   | 744                        | (D)       | (D)       | 368                   | 257                                  | 488   | 70  | 141   | (D)                        | (D)       | -72       | 428                                  |                       |
| Other.....                           | 1,821 | 1,608   | 1,201                      | (D)       | (D)       | 247                   | 313                                  | 1,573 | 1,371   | 943   | 1,106                      | -223      | 628       | 202                                  |                       |

<sup>1</sup> Includes inflows to purchase capital stock in affiliates from unaffiliated U.S. persons and outflows from the sale of such stock to unaffiliated U.S. persons. Although such flows

are not actually "to" U.S. affiliates they are so classified because they change the foreign direct investment position in these affiliates.

<sup>2</sup> Includes the net change in additional paid-in capital.

The continued high level of equity inflows reflected continued strong foreign direct investors' interest in the United States.

The shift to outflows on intercompany accounts consisted of a \$2.1 billion decline in affiliate payables due to their foreign parents and a \$1.2 billion increase in affiliate receivables due from their parents (table 5). The decline in payables was mostly in manufacturing; the increase in receivables was primarily in manufacturing and petroleum. These changes were probably a response by affiliates to foreign parents' need for funds to finance their own domestic operations, particularly in Europe.

The decline in inflows to unincorporated affiliates was more than accounted for by a sizable shift to net outflows by trade affiliates and a decline in inflows to affiliates in "other" industries, particularly real estate; partly offsetting was a large increase in inflows to insurance affiliates.

By area of foreign parent, the decline in equity and intercompany account inflows was centered in inflows from Europe, particularly Germany and the United Kingdom; partly offsetting was a sizable increase in inflows from Canada.

Inflows declined in all major indus-

Table 5.—Composition of Intercompany Account Inflows: U.S. Affiliates' Payables and Receivables, 1979-80

[Millions of dollars; outflows (-)]

|                                      | 1979  | 1980   | 1979-80 change |
|--------------------------------------|-------|--------|----------------|
| Total.....                           | 3,172 | -41    | -3,222         |
| Payables.....                        | 3,823 | 1,772  | -2,051         |
| Receivables.....                     | -651  | -1,823 | -1,172         |
| By area:                             |       |        |                |
| Canada.....                          | 72    | 101    | 29             |
| Europe.....                          | 172   | 307    | 135            |
| United Kingdom.....                  | -100  | -208   | -108           |
| Europe excluding United Kingdom..... | 1,676 | -782   | -2,430         |
| Japan.....                           | 2,120 | 458    | -1,662         |
| Other.....                           | -444  | -1,221 | -777           |
| By industry:                         |       |        |                |
| Petroleum.....                       | 638   | -350   | -988           |
| Manufacturing.....                   | 928   | 283    | -645           |
| Trade.....                           | -308  | -833   | -525           |
| Europe excluding United Kingdom..... | 1,046 | -412   | -1,458         |
| Japan.....                           | 1,120 | 174    | -946           |
| Other.....                           | -78   | -688   | -610           |
| By area:                             |       |        |                |
| Canada.....                          | 115   | -181   | -296           |
| Europe.....                          | 408   | 186    | -222           |
| United Kingdom.....                  | -201  | -326   | -125           |
| Europe excluding United Kingdom..... | 1,800 | 691    | -1,109         |
| Japan.....                           | 1,134 | 731    | -403           |
| Other.....                           | 194   | -70    | -264           |
| By industry:                         |       |        |                |
| Petroleum.....                       | 285   | -548   | -833           |
| Manufacturing.....                   | 290   | -75    | -365           |
| Trade.....                           | 88    | -472   | -560           |
| Europe excluding United Kingdom..... | 1,441 | -430   | -1,871         |
| Japan.....                           | 1,645 | 370    | -1,275         |
| Other.....                           | -294  | -810   | -516           |
| By area:                             |       |        |                |
| Canada.....                          | 1,021 | 570    | -451           |
| Europe.....                          | 1,378 | 1,148  | -230           |
| United Kingdom.....                  | -367  | -550   | -183           |
| Europe excluding United Kingdom..... | 1,688 | -72    | -1,760         |
| Japan.....                           | 168   | -76    | -244           |
| Other.....                           | 168   | 4      | -164           |
| By industry:                         |       |        |                |
| Petroleum.....                       | 247   | 428    | 181            |
| Manufacturing.....                   | 422   | 401    | -21            |
| Trade.....                           | -176  | 23     | -199           |

\* Less than \$500,000 (±).

tries. In manufacturing, they declined \$1.0 billion, to \$1.7 billion. About one-half of the decline was accounted for by affiliates in "other" manufacturing. The remainder was largely concentrated in chemicals, machinery, and primary and fabricated metals.

In "other" manufacturing, the decline in inflows was more than accounted for by a shift to net outflows by German-owned affiliates. This shift was mainly due to large increases in outflows from affiliates manufacturing automobiles, primarily in the form of receivables due from parents. In contrast, inflows for capital stock in "other" manufacturing increased substantially. The increase, which was largely accounted for by affiliates of parents in the United Kingdom and the Netherlands, was primarily for acquisitions of U.S. companies in various industries, including plastic products, nonelectrical machinery, building material supplies, and publishing and related businesses.

As in "other" manufacturing, the declines in inflows to affiliates in chemicals, machinery, and metals were also largely on intercompany accounts. Inflows for capital stock in these industries increased. The increase in chemicals was largely accounted for by affi-

ates of parents in the Netherlands and in Belgium and Luxembourg; it was associated with the acquisition of a number of chemical companies. In machinery, the increase was primarily in inflows to Canadian-owned affiliates for the construction of a plant and the purchase of companies manufacturing communications equipment. The increase in metals mainly reflected the acquisition of companies by British-owned affiliates and a joint venture by a Swedish-owned affiliate for production of nonferrous metals.

In petroleum, there was a shift of \$0.8 billion, to net outflows of \$0.3 billion. The shift was entirely in intercompany account transactions. It was partly accounted for by British-owned affiliates, which registered a sizable increase in receivables due from, and a

decline in payables due to, their parents. Also contributing to the shift was the fact that a large reduction in a Bermudan-owned affiliate's receivables from its British parent in 1979 was not repeated in 1980.

Inflows to insurance affiliates declined \$0.7 billion, to \$0.5 billion. A large share of the decline was in inflows for capital stock, mostly to affiliates of parents in Germany and the Netherlands. It reflected the acquisition of several major insurance companies in 1979, but not in 1980.

Inflows to trade affiliates declined \$0.5 billion, to \$1.2 billion. Affiliates of parents in Europe, particularly Germany and the United Kingdom, more than accounted for the decline; partly offsetting was an increase in inflows from "other Middle East." Flows to

German-owned affiliates shifted to net outflows, reflecting declines in inflows for capital stock and increases in outflows on intercompany accounts. The decline in inflows to British-owned affiliates was mostly in intercompany account transactions. It was more than accounted for by several affiliates that trade in precious metals; they had substantial declines in payables, perhaps because of sharp declines in the value of, and demand for, such metals in 1980. Partly offsetting was an increase in inflows for capital stock to British-owned affiliates for the acquisition of a nationwide restaurant and hotel chain. The increase in inflows from "other Middle East" was primarily accounted for by intercompany account transactions of a new affiliates that had an increase in orders from its foreign parent (the host

Table 6.—Reinvested Earnings and Reinvestment Ratios of Incorporated Affiliates, 1979-80

(Millions of dollars, or ratio)

|                                      | 1979     |                 |                     |   | 1980     |                 |                     |   | 1979-80 change |                 |                     |
|--------------------------------------|----------|-----------------|---------------------|---|----------|-----------------|---------------------|---|----------------|-----------------|---------------------|
|                                      | Earnings | Gross dividends | Reinvested earnings | Reinvestment ratio (reinvested earnings/earnings) | Earnings | Gross dividends | Reinvested earnings | Reinvestment ratio (reinvested earnings/earnings) | Earnings       | Gross dividends | Reinvested earnings |
| All areas.....                       | 5,045    | 1,484           | 1,955               | 0.39  | 7,442    | 1,428           | 4,190               | 0.55  | 2,397          | 330             | 2,234               |
| Petroleum.....                       | 1,008    | 348             | 1,416               | .63   | 3,231    | 681             | 2,571               | .80   | 1,223          | 212             | 1,025               |
| Manufacturing.....                   | 1,334    | 304             | 1,040               | .77   | 2,017    | 441             | 1,576               | .78   | 703            | 132             | 571                 |
| Trade.....                           | 881      | 253             | 626                 | .71   | 1,167    | 208             | 959                 | .82   | 287            | -45             | 332                 |
| Insurance.....                       | 383      | 69              | 240                 | .63   | 501      | 77              | 424                 | .85   | 119            | 9               | 184                 |
| Other.....                           | 246      | 112             | 435                 | .80   | 608      | 134             | 580                 | .95   | 144            | 22              | 122                 |
| Canada.....                          | 463      | 54              | 359                 | .66   | 1,628    | 80              | 1,547               | .95   | 1,165          | -3              | 1,168               |
| Petroleum.....                       | 115      | 34              | 70                  | .60   | 320      | 36              | 284                 | .89   | 205            | -1              | 206                 |
| Manufacturing.....                   | 174      | 11              | 103                 | .59   | 1,327    | 7               | 1,320               | .99   | 1,153          | -4              | 1,157               |
| Trade.....                           | 44       | 2               | 41                  | .93   | 0        | 1               | 0                   | .00   | 17             | -2              | 15                  |
| Insurance.....                       | 1        | (*)             | 1                   | .06   | -2       | (*)             | -2                  | (*)   | -3             | (*)             | -3                  |
| Other.....                           | 130      | 16              | 113                 | .87   | 180      | 18              | 162                 | .90   | -24            | 3               | -27                 |
| Europe.....                          | 3,448    | 927             | 2,721               | .79   | 4,634    | 1,334           | 3,300               | .71   | 1,186          | 368             | 832                 |
| Petroleum.....                       | 1,860    | 304             | 1,570               | .82   | (*)      | (*)             | 2,212               | (*)   | (*)            | (*)             | 837                 |
| Manufacturing.....                   | 945      | 277             | 668                 | .71   | 680      | 114             | 566                 | .83   | -264           | 137             | -533                |
| Trade.....                           | 512      | 223             | 289                 | .57   | 540      | 183             | 357                 | .66   | 28             | -64             | 92                  |
| Insurance.....                       | 245      | 69              | 180                 | .74   | (*)      | (*)             | 355                 | (*)   | (*)            | (*)             | 175                 |
| Other.....                           | 207      | 69              | 203                 | .78   | 208      | 86              | 318                 | .90   | 120            | 31              | 103                 |
| United Kingdom.....                  | 377      | 211             | 366                 | .97   | 326      | 225             | 761                 | .76   | 345            | 14              | 335                 |
| Petroleum.....                       | (*)      | 1               | (*)                 | (*)   | (*)      | (*)             | 7                   | (*)   | 227            | 12              | 315                 |
| Manufacturing.....                   | 282      | 73              | 221                 | .76   | 260      | 69              | 188                 | .73   | -95            | -3              | -83                 |
| Trade.....                           | (*)      | (*)             | 138                 | (*)   | (*)      | (*)             | 200                 | (*)   | 79             | 7               | 71                  |
| Insurance.....                       | (*)      | (*)             | 302                 | (*)   | (*)      | (*)             | 106                 | (*)   | (*)            | (*)             | 64                  |
| Other.....                           | (*)      | 13              | (*)                 | (*)   | 111      | 10              | 302                 | .91   | (*)            | -3              | (*)                 |
| Europe excluding United Kingdom..... | 3,070    | 716             | 2,355               | .77   | 3,308    | 1,109           | 2,539               | .77   | 238            | 354             | 344                 |
| Petroleum.....                       | (*)      | 302             | (*)                 | (*)   | 2,703    | 407             | 2,296               | .85   | (*)            | 104             | (*)                 |
| Manufacturing.....                   | 652      | 205             | 447                 | .69   | 702      | 346             | 356                 | .51   | -450           | 241             | -501                |
| Trade.....                           | (*)      | (*)             | 152                 | (*)   | (*)      | (*)             | 172                 | (*)   | -51            | -71             | 21                  |
| Insurance.....                       | (*)      | (*)             | 78                  | (*)   | (*)      | (*)             | 168                 | (*)   | 7              | 7               | 82                  |
| Other.....                           | (*)      | 47              | (*)                 | (*)   | 285      | 70              | 214                 | .75   | (*)            | 21              | (*)                 |
| Japan.....                           | 304      | 42              | 262                 | .86   | 396      | 82              | 314                 | .79   | 184            | 26              | 174                 |
| Petroleum.....                       | 80       | 1               | 79                  | .99   | (*)      | (*)             | (*)                 | (*)   | (*)            | (*)             | (*)                 |
| Manufacturing.....                   | 61       | 5               | 56                  | .92   | 21       | 0               | 12                  | .57   | -30            | 1               | -40                 |
| Trade.....                           | 311      | 20              | 291                 | .94   | 372      | 21              | 351                 | .94   | 361            | 7               | 354                 |
| Insurance.....                       | 1        | (*)             | 1                   | .06   | (*)      | (*)             | (*)                 | (*)   | (*)            | (*)             | (*)                 |
| Other.....                           | 32       | 13              | 19                  | .60   | 80       | 14              | 66                  | .83   | -2             | (*)             | -3                  |
| Other.....                           | 430      | 67              | 363                 | .84   | 658      | 83              | 575                 | .88   | 228            | 14              | 214                 |
| Petroleum.....                       | 150      | 8               | 142                 | .95   | (*)      | (*)             | (*)                 | (*)   | (*)            | (*)             | (*)                 |
| Manufacturing.....                   | 135      | 13              | 122                 | .90   | 120      | 16              | 104                 | .87   | -10            | 1               | -13                 |
| Trade.....                           | 14       | 9               | 5                   | .36   | -5       | 22              | -17                 | (*)   | -18            | 1               | -35                 |
| Insurance.....                       | 61       | 3               | 58                  | .95   | (*)      | (*)             | (*)                 | (*)   | (*)            | (*)             | (*)                 |
| Other.....                           | 24       | 24              | 36                  | .90   | 101      | 23              | 78                  | .78   | 61             | 1               | 43                  |

\*Less than \$500,000 (ex).

†Suppressed to avoid disclosure of data of individual companies.

1. Reinvestment ratio not defined because reinvested earnings are negative.

government) for procurement of supplies needed in the parent's petroleum operations. The affiliate was previously owned by a U.S. petroleum company operating in the Middle East; it purchased U.S. parts, equipment, and engineering services and sold them to the Middle East company. In 1980, the U.S. company transferred the assets of its Middle East operations to the host government. As part of that transfer, this trade affiliate was acquired by the government.

Among "other" industries, inflows declined slightly in real estate from a high 1979 level and increased \$0.2 billion in finance. The decline in real estate was the result of large declines in inflows

from the United Kingdom and "other Western Hemisphere," which were almost offset by increases in inflows from the Netherlands and Canada. In finance, inflows to affiliates of parents in Europe and Canada increased substantially, as a result of several major acquisitions. Particularly large was an increase in inflows to Netherlands-owned affiliates.

### Reinvested earnings

Reinvested earnings—the difference between earnings (i.e., foreign parents' shares in net income), and gross dividends, of incorporated affiliates—increased 57 percent, to \$6.2 billion (table

6). The increase reflected a faster increase in earnings than in gross dividends—51 percent compared with 30 percent. (See the following section for a discussion of changes in income, of which earnings is the major component.) The reinvestment ratio—the fraction of earnings reinvested—rose from 0.78 to 0.81, continuing its uptrend.

Reinvested earnings increased substantially in all major industries. In petroleum, they increased 62 percent, to \$2.7 billion. The increase was primarily attributable to an increase in earnings; the reinvestment ratio, at 0.83, remained about the same as in 1979.

Reinvested earnings of manufactur-

Table 7.—Income and Rate of Return, 1979-80

(Millions of dollars, or percent)

|                                 | 1979   |  |          |           |                                       |                     |                             | 1980   |  |          |           |                                       |                             |                     | Rate of return <sup>1</sup> |
|---------------------------------|--------|--|----------|-----------|---------------------------------------|---------------------|-----------------------------|--------|--|----------|-----------|---------------------------------------|-----------------------------|---------------------|-----------------------------|
|                                 | Income |  |          |           |                                       |                     | Rate of return <sup>1</sup> | Income |  |          |           |                                       | Rate of return <sup>1</sup> |                     |                             |
|                                 | Total  | Interest, dividends, and earnings of unincorporated affiliates |          |           |                                       | Reinvested earnings |                             | Total  | Interest, dividends, and earnings of unincorporated affiliates |          |           |                                       |                             | Reinvested earnings |                             |
|                                 |        | Total  | Interest | Dividends | Earnings of unincorporated affiliates |                     |                             |        | Total  | Interest | Dividends | Earnings of unincorporated affiliates |                             |                     |                             |
| All areas                       | 6,387  | 2,443  | 284      | 886       | 812                                   | 3,855               | 13.1                        | 6,335  | 3,147  | 542      | 1,411     | 944                                   | 1,190                       | 15.6                |                             |
| Petroleum                       | 2,837  | 383  | 30       | 328       | 34                                    | 1,045               | 23.1                        | 3,281  | 610  | 34       | 520       | 57                                    | 2,671                       | 20.6                |                             |
| Manufacturing                   | 1,600  | 693  | 416      | 382       | -6                                    | 1,008               | 8.0                         | 2,478  | 801  | 519      | 400       | -20                                   | 1,576                       | 11.9                |                             |
| Trade                           | 1,086  | 428  | 103      | 224       | 111                                   | 625                 | 10.3                        | 1,380  | 490  | 157      | 185       | 88                                    | 1,059                       | 11.0                |                             |
| Insurance                       | 669    | 369  | 30       | 50        | 300                                   | 240                 | 17.3                        | 1,885  | 282  | 15       | 86        | 290                                   | 424                         | 17.5                |                             |
| Other                           | 934    | 519  | 20       | 302       | 381                                   | 435                 | 14.1                        | 1,383  | 324  | 136      | 121       | 585                                   | 599                         | 15.2                |                             |
| Canada                          | 609    | 399  | 45       | 55        | 59                                    | 329                 | 9.0                         | 1,795  | 225  | 68       | 52        | 109                                   | 1,667                       | 21.2                |                             |
| Petroleum                       | 112    | 32   | 2        | 30        | 1                                     | 70                  | 13.4                        | 1,187  | 30   | 5        | 30        | 1                                     | 1,081                       | 15.2                |                             |
| Manufacturing                   | 199    | 35   | 24       | 9         | 2                                     | 160                 | 5.8                         | 1,245  | 25   | 13       | 6         | 1                                     | 1,320                       | 30.7                |                             |
| Trade                           | 62     | 11   | 8        | 2         | 1                                     | 41                  | 5.8                         | 68     | 8  | 7        | (*)       | 1                                     | 60                          | 8.6                 |                             |
| Insurance                       | 73     | 74   | (*)      | (*)       | 74                                    | 1                   | 30.7                        | 29     | 28   | (*)      | (*)       | 28                                    | -2                          | 7.1                 |                             |
| Other                           | 163    | 40   | 12       | 13        | 21                                    | 115                 | 12.8                        | 219    | 151  | 37       | 16        | 78                                    | 69                          | 13.1                |                             |
| Europe                          | 4,378  | 1,655  | 448      | 849       | 374                                   | 2,728               | 13.2                        | 5,422  | 2,223  | 688      | 1,144     | 691                                   | 3,488                       | 13.9                |                             |
| Petroleum                       | 1,703  | 332  | 22       | 280       | 22                                    | 1,370               | 28.4                        | 2,703  | 488  | 2        | (*)       | (*)                                   | 2,212                       | 30.2                |                             |
| Manufacturing                   | 1,144  | 476  | 249      | 203       | -26                                   | 608                 | 8.0                         | 2,774  | 592  | 282      | 384       | -24                                   | 135                         | 5.4                 |                             |
| Trade                           | 713    | 204  | 105      | 106       | 60                                    | 290                 | 10.3                        | 619    | 437  | 245      | 190       | 53                                    | 282                         | 9.8                 |                             |
| Insurance                       | 445    | 428  | 7        | 57        | 364                                   | 180                 | 15.7                        | 657    | 332  | 10       | (*)       | (*)                                   | 326                         | 18.1                |                             |
| Other                           | 268    | 168  | -6       | 53        | 114                                   | 208                 | 19.8                        | 681    | 315  | 40       | 71        | 195                                   | 316                         | 13.1                |                             |
| United Kingdom                  | 344    | 475  | 183      | 182       | 193                                   | 355                 | 9.7                         | 1,291  | 599  | 147      | 195       | 248                                   | 701                         | 12.2                |                             |
| Petroleum                       | (*)    | 13   | 12       | 1         | (*)                                   | (*)                 | (*)                         | 12     | 5  | -4       | (*)       | (*)                                   | 7                           | 63.0                |                             |
| Manufacturing                   | 316    | 64   | 23       | 62        | -1                                    | 221                 | 9.6                         | 294    | 76   | 23       | 60        | -6                                    | 186                         | 8.8                 |                             |
| Trade                           | 303    | 170  | (*)      | (*)       | 13                                    | 138                 | 11.7                        | 431    | 222  | 142      | (*)       | (*)                                   | 289                         | 12.9                |                             |
| Insurance                       | 270    | 177  | (*)      | (*)       | 128                                   | 102                 | 17.8                        | 412    | 217  | 2        | (*)       | (*)                                   | 195                         | 31.0                |                             |
| Other                           | (*)    | 26   | -41      | 12        | 64                                    | (*)                 | (*)                         | 171    | 69   | -14      | 1         | 74                                    | 102                         | 12.8                |                             |
| Europe excluding United Kingdom | 3,534  | 1,180  | 333      | 667       | 180                                   | 2,355               | 14.4                        | 4,331  | 1,623  | 441      | 949       | 244                                   | 2,539                       | 14.4                |                             |
| Petroleum                       | (*)    | 310  | 16       | 289       | 22                                    | (*)                 | (*)                         | 2,007  | 491  | 8        | 472       | 10                                    | 2,206                       | 30.2                |                             |
| Manufacturing                   | 320    | 382  | 216      | 191       | -25                                   | 447                 | 8.7                         | 512    | 580  | 250      | 328       | -18                                   | 84                          | 4.8                 |                             |
| Trade                           | 405    | 253  | (*)      | (*)       | 48                                    | 192                 | 9.4                         | 388    | 215  | 103      | (*)       | (*)                                   | 172                         | 7.7                 |                             |
| Insurance                       | 170    | 91   | (*)      | (*)       | 77                                    | 78                  | 12.9                        | 275    | 118  | 8        | (*)       | (*)                                   | 159                         | 14.9                |                             |
| Other                           | (*)    | 134  | 30       | 41        | 60                                    | (*)                 | (*)                         | 490    | 245  | 62       | 62        | 121                                   | 214                         | 12.2                |                             |
| Japan                           | 569    | 467  | -54      | 38        | 123                                   | 462                 | 15.1                        | 125    | 89   | -75      | 57        | 108                                   | 626                         | 28.5                |                             |
| Petroleum                       | 26     | (*)  | -1       | 1         | 0                                     | 28                  | (*)                         | (*)    | 0  | -2       | (*)       | (*)                                   | (*)                         | (*)                 |                             |
| Manufacturing                   | 74     | 21   | 12       | 8         | 1                                     | 33                  | 12.6                        | 43     | 31   | 15       | 9         | 7                                     | 13                          | 5.7                 |                             |
| Trade                           | 230    | -53  | -72      | 18        | 1                                     | 291                 | 14.5                        | 468    | -77  | -108     | 24        | -2                                    | 545                         | 23.2                |                             |
| Insurance                       | 11     | 0  | 0        | (*)       | 9                                     | 1                   | (*)                         | (*)    | 11   | 6        | (*)       | (*)                                   | (*)                         | (*)                 |                             |
| Other                           | 209    | 120  | 6        | 12        | 113                                   | 79                  | 28.2                        | 192    | 116  | 11       | 13        | 92                                    | 76                          | (*)                 |                             |
| Other                           | 669    | 426  | 168      | 54        | 315                                   | 373                 | 16.6                        | 1,184  | 687  | 284      | 55        | 284                                   | 687                         | 16.6                |                             |
| Petroleum                       | 178    | 27   | 7        | 8         | 13                                    | 122                 | (*)                         | (*)    | 89   | 18       | 3         | 60                                    | (*)                         | (*)                 |                             |
| Manufacturing                   | 289    | 151  | 130      | 13        | 18                                    | 122                 | 12.3                        | 313    | 201  | 201      | 10        | -10                                   | 109                         | 10.9                |                             |
| Trade                           | 63     | 58   | 1        | 8         | 49                                    | 5                   | 7.3                         | 34     | 62   | 6        | 21        | 30                                    | -27                         | 2.7                 |                             |
| Insurance                       | 65     | 8  | 3        | 2         | 3                                     | 36                  | (*)                         | (*)    | 18   | 6        | 3         | 3                                     | (*)                         | (*)                 |                             |
| Other                           | 228    | 164  | 26       | 23        | 134                                   | 36                  | 13.6                        | 341    | 202  | 41       | 21        | 200                                   | 79                          | (*)                 |                             |

\* Less than \$500,000 (±).

† Suppressed to avoid disclosure of data of individual companies.

1. Income divided by the average of the beginning- and end-of-year direct investment positions.

**Table 8.—Income and Related Items:  
Source and Relationship**  
(Millions of dollars)

|  | 1980<br>amount | Source and<br>relationship |
|--|----------------|----------------------------|
| 1. Earnings of incorporated affiliates.                            | 7,609          | Reported                   |
| 2. Earnings of unincorporated affiliates.                          | 933            | Reported                   |
| 3. Earnings.....   | 8,002          | =1+2                       |
| 4. Gross dividends (on common and preferred stock).                | 1,420          | =5+6                       |
| 5. U.S. withholding tax on dividends.                              | 100            | Derived                    |
| 6. Dividends (on common and preferred stock).                      | 1,311          | Reported                   |
| 7. Interest.....   | 842            | Reported                   |
| 8. Reinvested earnings of incorporated affiliates.                 | 8,180          | =1-4 or 10-9               |
| 9. Interest, dividends, and earnings of unincorporated affiliates. | 3,147          | =2+6+7 or 10-8             |
| 10. Income.....  | 9,385          | =3-5+7 or 8+9              |

NOTE.—"Reported" refers to univocal estimates derived from reported sample data.

ing affiliates increased 57 percent, to \$1.6 billion. The increase was more than accounted for by affiliates manufacturing food products. The increase in food, in turn, was primarily accounted for by a Canadian-owned affiliate that realized an unusually large profit from the sale of its petroleum subsidiary in 1980. Excluding this affiliate, reinvested earnings of manufacturing affiliates would have declined. There were shifts to negative reinvested earnings in "other" manufacturing and machinery, and large declines in reinvested earnings in chemicals and metals. These changes were due to declines in earnings and in reinvestment ratios.

Reinvested earnings of trade affiliates increased 53 percent, to \$1.0 billion. The increase, which was largely accounted for by Japanese-owned affiliates, was attributable to increases in both earnings and the reinvestment ratio. In insurance, reinvested earnings increased 77 percent, to \$0.4 billion. Affiliates of parents in the United Kingdom and Germany accounted for most of the increase.

### Income

Income, the return on the direct investment position, increased 47 percent,

to \$9.3 billion (table 7). Income consists of foreign parents' equity in the net income (after deduction of U.S. income taxes) of their U.S. affiliates, plus interest on intercompany accounts, less withholding taxes on dividends and interest (table 8). Alternatively, it is the sum of (1) interest, dividends, and earnings of unincorporated affiliates, and (2) reinvested earnings of incorporated affiliates.

The increase in income was widespread among major industries. Income of petroleum affiliates increased substantially—61 percent, to \$3.3 billion—following a 64-percent increase in 1979. The increase primarily reflected higher petroleum prices, both because of price increases by OPEC countries and the gradual decontrol of crude oil prices in the United States beginning in the third quarter of 1979. Netherlands-owned affiliates accounted for much of the increase. Income of affiliates with parents in the Netherlands Antilles also increased substantially, partly reflecting the operations of a new affiliate.

In manufacturing, income increased 46 percent, to \$2.5 billion. There was an unusually large increase in income in food products, which was more than accounted for by the Canadian-owned affiliate mentioned above. Excluding this affiliate, income in manufacturing would have declined 62 percent. Declines were sizable in chemicals and machinery. In the latter, Canadian-owned affiliates manufacturing heavy construction vehicles and agricultural equipment incurred large losses. Income declined moderately in "other" manufacturing. The decline was more than accounted for by German-owned affiliates producing automobiles and related products; these affiliates suffered large losses in operations as a result of sluggish sales, high interest rates, and work stoppages due to labor disputes.

Income of trade affiliates increased 30 percent, to \$1.4 billion. The increase was largely accounted for by Japanese-owned affiliates and reflected a rise in the volume of these affiliates' trade with Japan, particularly their imports of

**Table 9.—Fees and Royalties, 1979-80**  
(Millions of dollars)

|                     | 1979 | 1980 |
|---------------------|------|------|
| All areas.....      | 632  | 586  |
| Manufacturing.....  | 328  | 418  |
| Other.....          | 304  | 168  |
| Canada.....         | 189  | 224  |
| Manufacturing.....  | 31   | 88   |
| Other.....          | 158  | 136  |
| Europe.....         | 407  | 568  |
| Manufacturing.....  | 280  | 366  |
| Other.....          | 127  | 202  |
| United Kingdom..... | 102  | 164  |
| Manufacturing.....  | 44   | 60   |
| Other.....          | 58   | 64   |
| Switzerland.....    | 118  | 142  |
| Manufacturing.....  | 104  | 129  |
| Other.....          | 14   | 13   |
| Other Europe.....   | 187  | 183  |
| Manufacturing.....  | 125  | 141  |
| Other.....          | 62   | 211  |
| Japan.....          | -75  | -181 |
| Manufacturing.....  | 9    | 14   |
| Other.....          | -84  | -169 |
| Other.....          | 37   | -153 |
| Manufacturing.....  | 7    | 7    |
| Other.....          | 30   | -166 |

Japanese automobiles and parts. British-owned affiliates also had a sizable increase.

Insurance affiliates' income increased 34 percent, to \$0.8 billion. Affiliates with parents in the United Kingdom and Germany had large increases. The increase in income of affiliates in "other" industries was mostly in finance, largely accounted for by affiliates of parents in the Netherlands and Canada.

The rate of return on the direct investment position—income divided by the average of the beginning- and end-of-year positions—rose from 13 percent to 16 percent, as income increased faster than the average position—47 compared with 24 percent. The rate of return rose in all major industries and on investment in all areas. The rise in petroleum was particularly large—from 23 percent to 30 percent—as was the rise on Canadian investment—from 9 percent to 21 percent, reflecting the transaction of the previously mentioned affiliate in the food industry.

(Text continued on page 57)

Table 10.—Foreign Direct Investment Position in the United States at Yearend 1979

[Millions of dollars]

|   | All industries | Petroleum | Manufacturing |               |                               |                               |           |                     | Trade  | Finance | Insurance | Real estate | Other |
|---|----------------|-----------|---------------|---------------|-------------------------------|-------------------------------|-----------|---------------------|--------|---------|-----------|-------------|-------|
|   |                |           | Total         | Food products | Chemicals and allied products | Primary and fabricated metals | Machinery | Other manufacturing |        |         |           |             |       |
| All countries.....                            | 54,452         | 9,986     | 50,876        | 2,641         | 7,222                         | 3,020                         | 3,688     | 4,424               | 11,662 | 3,427   | 4,145     | 1,828       | 3,724 |
| Canada.....                                   | 7,354          | 943       | 3,635         | 827           | 308                           | 822                           | 1,158     | 701                 | 911    | 227     | 223       | 334         | 815   |
| Europe.....                                   | 37,403         | 6,818     | 12,932        | 1,447         | 5,321                         | 1,577                         | 1,225     | 3,983               | 7,828  | 2,368   | 3,448     | 552         | 1,623 |
| European Communities (1).....                 | 32,340         | 7,635     | 11,077        | 1,255         | 4,134                         | 1,356                         | 1,048     | 2,683               | 6,682  | 1,011   | 2,938     | 525         | 1,362 |
| Belgium and Luxembourg.....                   | 1,504          | 305       | 1,226         | 25            | 72                            | 78                            | 25        | 78                  | 216    | 108     | 7         | 24          | 75    |
| France.....                                   | 2,280          | 205       | 1,087         | 15            | 245                           | 418                           | 60        | 379                 | 604    | 245     | 43        | 1           | 47    |
| Germany.....                                  | 8,865          | 40        | 2,665         | 25            | 1,721                         | 126                           | 405       | 381                 | 1,748  | 197     | 489       | 113         | 305   |
| Italy.....                                    | 214            | (*)       | 30            | 18            | 14                            | 3                             | 9         | 0                   | 94     | 77      | 15        | 12          | 1     |
| Netherlands.....                              | 12,072         | 6,478     | 3,492         | 821           | 889                           | 58                            | 723       | 1,021               | 848    | 628     | 402       | 208         | 528   |
| Denmark and Ireland.....                      | 156            | 1         | 42            | 2             | 11                            | 0                             | 10        | 11                  | 81     | 5       | (*)       | 0           | 20    |
| United Kingdom.....                           | 9,796          | 199       | 3,047         | 307           | 1,216                         | 960                           | 458       | 314                 | 2,041  | 650     | 1,782     | 189         | 383   |
| Other Europe.....                             | 5,053          | 175       | 2,875         | 383           | 1,186                         | 223                           | 879       | 400                 | 1,146  | 169     | 511       | 16          | 161   |
| Sweden.....                                   | 1,184          | 113       | 554           | 1             | 36                            | 11                            | 440       | 47                  | 503    | -90     | 78        | 2           | -5    |
| Switzerland.....                              | 3,449          | 18        | 2,281         | 381           | 1,753                         | 100                           | 223       | 330                 | 473    | 179     | 419       | 8           | 71    |
| Other.....                                    | 471            | 42        | 00            | 7             | -1                            | 20                            | 18        | 17                  | 170    | 80      | 14        | 8           | 85    |
| Japan.....                                    | 2,499          | 160       | 696           | 29            | 282                           | 223                           | 125       | 117                 | 1,767  | 638     | 61        | 68          | 102   |
| Australia, New Zealand, and South Africa..... | 211            | -2        | 74            | (*)           | 4                             | 42                            | -6        | 34                  | 184    | -64     | 18        | 48          | 89    |
| Latin America.....                            | 4,431          | 772       | 2,482         | 184           | 1,873                         | 319                           | -1        | 488                 | 712    | 326     | 247       | 561         | 231   |
| Latin American Republics.....                 | 802            | 24        | 158           | 62            | 69                            | 8                             | 1         | 50                  | 74     | 185     | 278       | 35          | 6     |
| Panama.....                                   | 594            | 32        | 167           | 42            | 66                            | 1                             | 15        | 33                  | 48     | 53      | 258       | 65          | 3     |
| Other.....                                    | 207            | 8         | 11            | 11            | -7                            | 4                             | -14       | 18                  | 20     | 133     | 2         | 30          | 4     |
| Other Western Hemisphere.....                 | 4,629          | 748       | 2,314         | 52            | 1,513                         | 313                           | -3        | 488                 | 638    | 170     | 77        | 456         | 215   |
| Middle East.....                              | 470            | 1         | 41            | (*)           | 3                             | 39                            | 1         | (*)                 | 17     | 381     | (*)       | 382         | -41   |
| Israel.....                                   | 142            | 0         | 3             | (*)           | 3                             | 0                             | 0         | 0                   | 36     | 133     | (*)       | (*)         | -11   |
| Other.....                                    | 287            | 1         | 38            | 0             | (*)                           | 39                            | 1         | (*)                 | -1     | 68      | (*)       | 261         | -31   |
| Other Africa, Asia, and Pacific.....          | 304            | 23        | 36            | 4             | 3                             | -1                            | -2        | 12                  | 283    | 29      | 2         | 15          | 15    |
| Memorandum:                                   |                |           |               |               |                               |                               |           |                     |        |         |           |             |       |
| OPEC.....                                     | 385            | 11        | 82            | 0             | -1                            | 97                            | -8        | 18                  | -5     | 81      | 1         | 267         | -22   |

\* Less than \$500,000 (±).

1. See footnote 3, table 2.

Table 11.—Foreign Direct Investment Position in the United States at Yearend 1980

[Millions of dollars]

|   | All industries | Petroleum | Manufacturing |               |                               |                               |           |                     | Trade  | Finance | Insurance | Real estate | Other |
|---|----------------|-----------|---------------|---------------|-------------------------------|-------------------------------|-----------|---------------------|--------|---------|-----------|-------------|-------|
|   |                |           | Total         | Food products | Chemicals and allied products | Primary and fabricated metals | Machinery | Other manufacturing |        |         |           |             |       |
| All countries.....                            | 55,483         | 12,253    | 24,134        | 4,092         | 7,369                         | 3,272                         | 4,987     | 4,603               | 11,772 | 4,529   | 5,908     | 2,429       | 3,906 |
| Canada.....                                   | 9,819          | 1,127     | 5,148         | 3,186         | 128                           | 839                           | 1,288     | 898                 | 1,248  | 364     | 444       | 542         | 1,036 |
| Europe.....                                   | 43,467         | 9,884     | 15,036        | 1,747         | 5,788                         | 2,068                         | 2,481     | 2,982               | 3,308  | 3,031   | 4,181     | 871         | 1,585 |
| European Communities (1).....                 | 37,860         | 9,487     | 12,022        | 1,430         | 4,550                         | 1,720                         | 1,791     | 2,641               | 7,542  | 2,815   | 3,838     | 855         | 1,390 |
| Belgium and Luxembourg.....                   | 1,873          | 1,221     | 221           | 24            | 122                           | 01                            | -48       | 02                  | 158    | 160     | 7         | 25          | 75    |
| France.....                                   | 2,672          | 240       | 1,308         | 38            | 312                           | 522                           | 01        | 430                 | 583    | 323     | 44        | 1           | 80    |
| Germany.....                                  | 8,280          | 48        | 2,137         | 27            | 1,780                         | 185                           | 382       | -220                | 1,750  | 162     | 806       | 120         | 368   |
| Italy.....                                    | 334            | (*)       | 7             | 10            | -14                           | 3                             | -3        | 11                  | 200    | 65      | 17        | 13          | 1     |
| Netherlands.....                              | 16,158         | 8,319     | 3,061         | 870           | 020                           | 01                            | 882       | 1,170               | 1,113  | 1,089   | 632       | 604         | 582   |
| Denmark and Ireland.....                      | 180            | 3         | 60            | -1            | 13                            | (*)                           | 14        | 29                  | 96     | 5       | (*)       | 0           | 19    |
| United Kingdom.....                           | 11,242         | -147      | 4,277         | 453           | 1,419                         | 878                           | 464       | 1,084               | 3,823  | 661     | 2,136     | 101         | 280   |
| Other Europe.....                             | 6,618          | 187       | 3,813         | 317           | 1,217                         | 346                           | 889       | 431                 | 1,366  | 216     | 619       | 18          | 199   |
| Sweden.....                                   | 1,215          | 128       | 630           | 1             | 51                            | 71                            | 461       | 37                  | 677    | -85     | 102       | 2           | 1     |
| Switzerland.....                              | 3,082          | 25        | 2,308         | 298           | 1,196                         | 253                           | 203       | 354                 | 559    | 203     | 488       | 2           | 88    |
| Other.....                                    | 591            | 44        | 80            | 17            | -1                            | 22                            | 17        | 81                  | 221    | 98      | 19        | 11          | 102   |
| Japan.....                                    | 4,276          | 82        | 894           | 25            | 227                           | 238                           | 176       | 188                 | 2,251  | 754     | 85        | 199         | 334   |
| Australia, New Zealand, and South Africa..... | 287            | -5        | 96            | 1             | 6                             | 80                            | -10       | 39                  | 834    | -68     | 15        | 41          | 82    |
| Latin America.....                            | 6,782          | 1,148     | 2,984         | 143           | 1,685                         | 334                           | 93        | 737                 | 845    | 440     | 361       | 687         | 239   |
| Latin American Republics.....                 | 831            | 21        | 121           | 45            | 60                            | (*)                           | -5        | 30                  | 120    | 220     | 331       | 98          | 11    |
| Panama.....                                   | 606            | 13        | 130           | 42            | 88                            | 0                             | 16        | 15                  | 81     | 50      | 329       | 68          | 8     |
| Other.....                                    | 230            | 8         | -15           | 3             | -7                            | -6                            | -21       | 16                  | 30     | 170     | 2         | 30          | 3     |
| Other Western Hemisphere.....                 | 6,771          | 1,118     | 2,873         | 98            | 1,635                         | 334                           | 98        | 707                 | 828    | 211     | 30        | 489         | 221   |
| Middle East.....                              | 740            | 4         | 48            | (*)           | 3                             | 44                            | 1         | (*)                 | 174    | 230     | (*)       | 368         | -42   |
| Israel.....                                   | 213            | 0         | 3             | (*)           | 3                             | 0                             | 0         | 0                   | 16     | 215     | (*)       | (*)         | -20   |
| Other.....                                    | 527            | 4         | 45            | 0             | (*)                           | 44                            | 1         | (*)                 | 159    | 75      | (*)       | 265         | -23   |
| Other Africa, Asia, and Pacific.....          | 289            | 38        | -18           | -18           | 1                             | -1                            | -1        | -1                  | 208    | 38      | 2         | 14          | 8     |
| Memorandum:                                   |                |           |               |               |                               |                               |           |                     |        |         |           |             |       |
| OPEC.....                                     | 670            | 20        | 47            | 3             | -1                            | 44                            | -7        | 18                  | (P)    | 84      | 1         | 280         | (P)   |

\* Less than \$500,000 (±).

† Suppressed to avoid disclosure of data of individual companies.

1. See footnote 3, table 2.

Table 12.—Equity and Intercompany Account Inflows, 1979

(Millions of dollars; outflows (-))

|   | All industries | Petroleum | Manufacturing |               |                               |                               |           |                     | Trade | Finance | Insurance | Real estate | Other |
|---|----------------|-----------|---------------|---------------|-------------------------------|-------------------------------|-----------|---------------------|-------|---------|-----------|-------------|-------|
|   |                |           | Total         | Food products | Chemicals and allied products | Primary and fabricated metals | Machinery | Other manufacturing |       |         |           |             |       |
| All countries.....                            | 7,821          | 499       | 2,467         | 353           | 736                           | 193                           | 585       | 546                 | 1,768 | 745     | 1,168     | 519         | 821   |
| Canada.....                                   | 532            | 130       | 239           | 31            | 4                             | 42                            | 303       | 70                  | -37   | 13      | 68        | 138         | -20   |
| Europe.....                                   | 5,438          | 85        | 1,672         | 897           | 232                           | 188                           | 587       | 358                 | 1,526 | 835     | 1,841     | 184         | 488   |
| European Communities (D).....                 | 4,852          | 74        | 1,514         | 128           | 270                           | 48                            | 456       | 317                 | 1,307 | 832     | 1,841     | 184         | 488   |
| Belgium and Luxembourg.....                   | 99             | (D)       | 79            | -4            | (D)                           | (D)                           | (D)       | (D)                 | -7    | (D)     | (*)       | (D)         | (D)   |
| France.....                                   | 190            | (D)       | 10            | -2            | (D)                           | (D)                           | (D)       | (D)                 | 110   | 30      | (D)       | 1           | 10    |
| Germany.....                                  | 1,877          | (D)       | 711           | (D)           | 200                           | (D)                           | 371       | 80                  | 324   | 24      | (D)       | 41          | 140   |
| Italy.....                                    | -35            | 0         | -60           | (D)           | (D)                           | (D)                           | (D)       | (D)                 | 25    | 2       | (D)       | 1           | 0     |
| Netherlands.....                              | 735            | 70        | 184           | (D)           | (D)                           | -11                           | -43       | 82                  | 49    | (D)     | (D)       | 64          | 85    |
| Denmark and Ireland.....                      | 18             | (*)       | 1             | -3            | 1                             | 0                             | 2         | 1                   | 13    | (D)     | (D)       | 0           | (D)   |
| United Kingdom.....                           | 1,777          | (D)       | 306           | (D)           | 33                            | (D)                           | 112       | 90                  | 686   | 475     | 176       | (D)         | 118   |
| Other Europe.....                             | 756            | -3        | 359           | 74            | 22                            | 98                            | 132       | 40                  | 313   | 6       | 28        | -1          | 11    |
| Sweden.....                                   | 120            | (D)       | 34            | 0             | (D)                           | (D)                           | 15        | 7                   | 128   | (D)     | (D)       | 0           | (D)   |
| Switzerland.....                              | 564            | (D)       | 312           | (D)           | 9                             | (D)                           | 109       | 32                  | 162   | (D)     | (D)       | -1          | (D)   |
| Other.....                                    | 63             | (D)       | 12            | (D)           | (D)                           | 1                             | 30        | 1                   | 24    | (D)     | 1         | (*)         | 1     |
| Japan.....                                    | 282            | (D)       | 168           | 3             | 37                            | (D)                           | 88        | (D)                 | -47   | 22      | (D)       | (D)         | (D)   |
| Australia, New Zealand, and South Africa..... | 60             | (D)       | 10            | (D)           | -1                            | (D)                           | -2        | (D)                 | 32    | 1       | 1         | (D)         | (D)   |
| Latin America.....                            | 1,478          | 253       | 589           | (D)           | 328                           | (D)                           | 54        | 383                 | 585   | 58      | (D)       | (D)         | 81    |
| Latin American Republics.....                 | 104            | 21        | 7             | (D)           | (D)                           | (*)                           | (D)       | (D)                 | 114   | (D)     | (D)       | (D)         | 2     |
| Panama.....                                   | 40             | 21        | 8             | (D)           | (D)                           | (D)                           | -1        | (D)                 | 7     | (D)     | (D)       | 2           | (D)   |
| Other.....                                    | 164            | (*)       | -1            | 8             | (D)                           | (D)                           | (D)       | (D)                 | 107   | 67      | (D)       | 150         | 79    |
| Other Western Hemisphere.....                 | 1,282          | 243       | 472           | (D)           | (D)                           | (D)                           | (D)       | (D)                 | 71    | (D)     | (D)       | (D)         | (D)   |
| Middle East.....                              | 42             | -2        | 1             | 8             | 8                             | 3                             | 8         | 0                   | 37    | 37      | 8         | 27          | -25   |
| Israel.....                                   | 34             | 0         | 0             | 0             | 0                             | 0                             | 0         | 0                   | 20    | 9       | 0         | 27          | (D)   |
| Other.....                                    | 8              | -3        | 3             | 0             | 0                             | 3                             | 0         | 0                   | (D)   | 9       | 0         | 0           | (D)   |
| Other Africa, Asia, and Pacific.....          | 23             | -2        | -4            | 2             | -1                            | 8                             | -2        | -6                  | 112   | -19     | (*)       | (*)         | -1    |
| Memorandum:                                   |                |           |               |               |                               |                               |           |                     |       |         |           |             |       |
| OPEC <sup>1</sup> .....                       | 12             | 9         | -4            | (*)           | 0                             | 1                             | -4        | (*)                 | -7    | 12      | 0         | (D)         | (D)   |

\*Less than \$500,000 (±).

D Suppressed to avoid disclosure of data of individual companies.

1. See footnote 3, table 2.

Table 13.—Equity and Intercompany Account Inflows, 1980

(Millions of dollars; outflows (-))

|   | All industries | Petroleum | Manufacturing |               |                               |                               |           |                     | Trade | Finance | Insurance | Real estate | Other |
|---|----------------|-----------|---------------|---------------|-------------------------------|-------------------------------|-----------|---------------------|-------|---------|-----------|-------------|-------|
|   |                |           | Total         | Food products | Chemicals and allied products | Primary and fabricated metals | Machinery | Other manufacturing |       |         |           |             |       |
| All countries.....                            | 6,884          | -334      | 1,683         | 33            | 454                           | 346                           | 629       | 311                 | 1,249 | 971     | 458       | 517         | 54    |
| Canada.....                                   | 1,032          | 33        | 219           | -21           | 9                             | -43                           | (D)       | (D)                 | 118   | 101     | 163       | 193         | 137   |
| Europe.....                                   | 2,539          | -333      | 851           | 37            | 396                           | 385                           | 113       | 38                  | 741   | 152     | 345       | 264         | -44   |
| European Communities (D).....                 | 2,054          | -291      | 758           | 102           | 341                           | 228                           | 90        | -22                 | 687   | 644     | 226       | 269         | -63   |
| Belgium and Luxembourg.....                   | 22             | (D)       | 40            | 1             | (D)                           | -18                           | (D)       | (D)                 | -69   | (D)     | (*)       | (D)         | -5    |
| France.....                                   | 254            | (D)       | 200           | (D)           | 64                            | (D)                           | 38        | (D)                 | -97   | -79     | (D)       | 14          | 41    |
| Germany.....                                  | -326           | (D)       | -439          | (D)           | 33                            | (D)                           | 23        | (D)                 | -16   | -37     | (D)       | 1           | 55    |
| Italy.....                                    | 118            | (D)       | -10           | (D)           | (D)                           | 1                             | -11       | (D)                 | 181   | 16      | (D)       | 2           | 1     |
| Netherlands.....                              | 1,159          | -23       | 306           | (D)           | 57                            | (D)                           | 58        | (D)                 | 13    | (D)     | (D)       | 213         | -24   |
| Denmark and Ireland.....                      | 28             | 1         | 15            | 2             | (D)                           | (*)                           | (D)       | (D)                 | 13    | 9       | 0         | 0           | -2    |
| United Kingdom.....                           | 850            | -388      | 642           | 23            | 121                           | 202                           | 13        | 183                 | 343   | 234     | 156       | (*)         | -180  |
| Other Europe.....                             | 545            | 8         | 713           | -45           | 54                            | 135                           | 28        | 28                  | 234   | 15      | 72        | 1           | 19    |
| Sweden.....                                   | 164            | (D)       | 84            | 0             | (D)                           | (D)                           | 25        | (D)                 | 80    | 3       | (D)       | 0           | 7     |
| Switzerland.....                              | 257            | (D)       | 85            | (D)           | 38                            | (D)                           | 15        | (D)                 | 112   | 7       | (D)       | -2          | 13    |
| Other.....                                    | 184            | 1         | 24            | (D)           | (D)                           | 2                             | -1        | (D)                 | 61    | 5       | 4         | 4           | 1     |
| Japan.....                                    | 50             | (D)       | 196           | (D)           | 28                            | (D)                           | 36        | 44                  | -41   | 53      | (D)       | 36          | (D)   |
| Australia, New Zealand, and South Africa..... | 38             | (*)       | 12            | (D)           | 3                             | (D)                           | -1        | 8                   | 17    | 14      | (D)       | -1          | (D)   |
| Latin America.....                            | 642            | (D)       | 497           | 33            | 32                            | 12                            | (D)       | (D)                 | 242   | 56      | (D)       | 26          | -14   |
| Latin American Republics.....                 | 67             | -3        | -24           | -1            | (D)                           | (D)                           | -8        | (D)                 | 43    | (D)     | (D)       | 3           | 7     |
| Panama.....                                   | 28             | -10       | -7            | 0             | (D)                           | 1                             | (D)       | (D)                 | 25    | (D)     | (D)       | 2           | 7     |
| Other.....                                    | 44             | 0         | -18           | -1            | (D)                           | (D)                           | -7        | (D)                 | 18    | 36      | (D)       | 0           | 1     |
| Other Western Hemisphere.....                 | 596            | (D)       | 481           | 32            | 40                            | (D)                           | (D)       | 280                 | 218   | (D)     | (D)       | 6           | -21   |
| Middle East.....                              | 246            | 4         | 2             | 0             | 0                             | 0                             | 0         | 0                   | 144   | 72      | 0         | 24          | 2     |
| Israel.....                                   | 57             | 0         | 0             | 0             | 0                             | 0                             | 0         | 0                   | -4    | 89      | 0         | (D)         | (D)   |
| Other.....                                    | 180            | 4         | 2             | 0             | 0                             | 2                             | 0         | 0                   | 188   | 3       | 0         | 0           | (D)   |
| Other Africa, Asia, and Pacific.....          | -4             | 15        | -27           | -15           | 1                             | (*)                           | (*)       | -13                 | 23    | -1      | (*)       | 1           | -4    |
| Memorandum:                                   |                |           |               |               |                               |                               |           |                     |       |         |           |             |       |
| OPEC <sup>1</sup> .....                       | 185            | 8         | (*)           | -1            | 0                             | 2                             | 1         | (*)                 | (D)   | -2      | 0         | 14          | (D)   |

\* Less than \$500,000 (±).

D Suppressed to avoid disclosure of data of individual companies.

1. See footnote 3, table 2.

Table 14.—Reinvested Earnings of Incorporated Affiliates, 1979

(Millions of dollars)

|   | All industries | Petroleum | Manufacturing |               |                               |                               |           |                     | Trade | Finance | Insurance | Real estate | Other |
|---|----------------|-----------|---------------|---------------|-------------------------------|-------------------------------|-----------|---------------------|-------|---------|-----------|-------------|-------|
|   |                |           | Total         | Food products | Chemicals and allied products | Primary and fabricated metals | Machinery | Other manufacturing |       |         |           |             |       |
| All countries.....                            | 3,055          | 1,045     | 1,044         | 98            | 339                           | 212                           | 117       | 198                 | 628   | 237     | 240       | 39          | 162   |
| Canada.....                                   | 309            | 79        | 163           | 19            | 13                            | 14                            | 14        | 43                  | 41    | 26      | 1         | 9           | 58    |
| Europe.....                                   | 2,721          | 1,179     | 668           | 43            | 278                           | 34                            | 88        | 164                 | 298   | 143     | 180       | 15          | 68    |
| European Communities (8).....                 | 2,506          | 1,112     | 631           | 35            | 237                           | 30                            | 105       | 153                 | 280   | 123     | 158       | 10          | 48    |
| Belgium and Luxembourg.....                   | 161            | (*)       | 0             | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| France.....                                   | 123            | (*)       | 83            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Germany.....                                  | 138            | (*)       | 80            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Italy.....                                    | 6              | (*)       | 1             | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Netherlands.....                              | 1,707          | (*)       | 229           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Denmark and Ireland.....                      | 6              | (*)       | 1             | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| United Kingdom.....                           | 380            | (*)       | 221           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Other Europe.....                             | 154            | (*)       | 37            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Sweden.....                                   | 136            | (*)       | 15            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Switzerland.....                              | 19             | (*)       | 22            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Other.....                                    | 20             | (*)       | (*)           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Japan.....                                    | 362            | 38        | 63            | (*)           | 2                             | (*)                           | 6         | (*)                 | 291   | 41      | 1         | (*)         | (*)   |
| Australia, New Zealand, and South Africa..... | 3              | 8         | -2            | (*)           | 9                             | (*)                           | (*)       | (*)                 | 4     | (*)     | 0         | (*)         | (*)   |
| Latin America.....                            | 363            | 152       | 185           | 18            | 85                            | 3                             | 16        | 1                   | 7     | 12      | 58        | 4           | 14    |
| Latin American Republics.....                 | 45             | (*)       | -10           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Panama.....                                   | 69             | (*)       | -12           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Other.....                                    | -11            | (*)       | -1            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Other Western Hemisphere.....                 | 313            | 152       | 121           | 20            | 93                            | 2                             | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Middle East.....                              | 13             | (*)       | 7             | 0             | (*)                           | 2                             | (*)       | (*)                 | 1     | 12      | 0         | 1           | 1     |
| Israel.....                                   | 4              | (*)       | 0             | 0             | (*)                           | 0                             | 0         | (*)                 | 1     | 0       | 0         | (*)         | (*)   |
| Other.....                                    | 9              | (*)       | 7             | 0             | (*)                           | 7                             | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Other Africa, Asia, and Pacific.....          | -6             | (*)       | 2             | -1            | 2                             | 0                             | 1         | (*)                 | -6    | 3       | (*)       | -1          | -2    |
| Memorandum:                                   |                |           |               |               |                               |                               |           |                     |       |         |           |             |       |
| OPEC <sup>1</sup> .....                       | 8              | (*)       | 7             | (*)           | 0                             | 7                             | 0         | (*)                 | (*)   | 4       | 0         | (*)         | (*)   |

<sup>1</sup> Less than \$500,000 (\$).<sup>2</sup> Suppressed to avoid disclosure of data of individual companies.

1. See footnote 3, table 2.

Table 15.—Reinvested Earnings of Incorporated Affiliates, 1980

(Millions of dollars)

|   | All industries | Petroleum | Manufacturing |               |                               |                               |           |                     | Trade | Finance | Insurance | Real estate | Other |
|---|----------------|-----------|---------------|---------------|-------------------------------|-------------------------------|-----------|---------------------|-------|---------|-----------|-------------|-------|
|   |                |           | Total         | Food products | Chemicals and allied products | Primary and fabricated metals | Machinery | Other manufacturing |       |         |           |             |       |
| All countries.....                            | 6,190          | 2,671     | 1,576         | 1,451         | 183                           | 206                           | -122      | -142                | 969   | 344     | 426       | 21          | 184   |
| Canada.....                                   | 1,567          | 161       | 1,320         | 1,350         | 21                            | 60                            | (*)       | (*)                 | 60    | 27      | -2        | 12          | 43    |
| Europe.....                                   | 3,406          | 2,212     | 135           | 66            | 62                            | 126                           | 17        | -166                | 363   | 217     | 256       | 7           | 91    |
| European Communities (8).....                 | 3,373          | 2,198     | 162           | 73            | 75                            | 126                           | 45        | -147                | 390   | 189     | 216       | 0           | 82    |
| Belgium and Luxembourg.....                   | 287            | (*)       | -46           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| France.....                                   | 128            | (*)       | 97            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Germany.....                                  | 9              | (*)       | -93           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Italy.....                                    | 7              | (*)       | 1             | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Netherlands.....                              | 2,238          | (*)       | 35            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Denmark and Ireland.....                      | 2              | (*)       | -1            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| United Kingdom.....                           | 701            | (*)       | 189           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Other Europe.....                             | 27             | (*)       | -47           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Sweden.....                                   | 67             | (*)       | 2             | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Switzerland.....                              | -47            | (*)       | -20           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Other.....                                    | 17             | (*)       | 1             | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Japan.....                                    | 636            | (*)       | 12            | (*)           | (*)                           | (*)                           | 26        | -12                 | 545   | 47      | (*)       | 5           | (*)   |
| Australia, New Zealand, and South Africa..... | 8              | (*)       | -1            | (*)           | 0                             | (*)                           | 1         | -1                  | 4     | (*)     | (*)       | 2           | (*)   |
| Latin America.....                            | 544            | (*)       | 305           | 7             | 42                            | 3                             | (*)       | (*)                 | -27   | 34      | (*)       | (*)         | 27    |
| Latin American Republics.....                 | 63             | (*)       | -23           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Panama.....                                   | 63             | (*)       | -14           | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Other.....                                    | -6             | (*)       | -7            | (*)           | (*)                           | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Other Western Hemisphere.....                 | 500            | (*)       | 127           | 14            | 62                            | (*)                           | (*)       | (*)                 | (*)   | (*)     | (*)       | (*)         | (*)   |
| Middle East.....                              | 24             | (*)       | 5             | 6             | (*)                           | 5                             | (*)       | (*)                 | 4     | 18      | 0         | 1           | 1     |
| Israel.....                                   | 14             | (*)       | 0             | 0             | (*)                           | 0                             | (*)       | (*)                 | 1     | 14      | 0         | (*)         | (*)   |
| Other.....                                    | 10             | (*)       | 5             | 0             | (*)                           | 5                             | (*)       | (*)                 | 2     | 4       | 0         | (*)         | (*)   |
| Other Africa, Asia, and Pacific.....          | -9             | (*)       | 1             | 2             | -2                            | 0                             | (*)       | (*)                 | -8    | 2       | (*)       | -1          | -1    |
| Memorandum:                                   |                |           |               |               |                               |                               |           |                     |       |         |           |             |       |
| OPEC <sup>1</sup> .....                       | 12             | (*)       | 5             | (*)           | 0                             | 5                             | 0         | (*)                 | 3     | 5       | 0         | -1          | (*)   |

<sup>1</sup> Less than \$500,000 (\$).<sup>2</sup> Suppressed to avoid disclosure of data of individual companies.

1. See footnote 3, table 2.

Table 16.—Income, 1979

[Millions of dollars]

|   | All industries | Petroleum | Manufacturing |               |                               |                               |           |                     | Trade | Finance | Insurance | Real estate | Other |
|---|----------------|-----------|---------------|---------------|-------------------------------|-------------------------------|-----------|---------------------|-------|---------|-----------|-------------|-------|
|   |                |           | Total         | Food products | Chemicals and allied products | Primary and fabricated metals | Machinery | Other manufacturing |       |         |           |             |       |
| All countries.....                            | 6,387          | 2,637     | 1,639         | 163           | 594                           | 327                           | 188       | 418                 | 1,084 | 643     | 899       | 129         | 184   |
| Canada.....                                   | 883            | 118       | 189           | 22            | 86                            | 75                            | (b)       | (b)                 | 52    | 94      | 78        | 26          | 26    |
| Europe.....                                   | 4,379          | 1,786     | 1,144         | 141           | 442                           | 186                           | 128       | 347                 | 713   | 285     | 448       | 88          | 19    |
| European Communities (b).....                 | 3,907          | 1,621     | 1,044         | 115           | 347                           | 157                           | 144       | 280                 | 630   | 164     | 362       | 63          | 75    |
| Belgium and Luxembourg.....                   | 161            | (b)       | 1             | 1             | 1                             | (b)                           | 1         | (b)                 | 6     | 1       | (b)       | (b)         | (b)   |
| France.....                                   | 247            | 12        | 105           | 1             | 51                            | (b)                           | (b)       | 28                  | 38    | 17      | 5         | 1           | 21    |
| Germany.....                                  | 232            | 7         | 154           | 1             | 113                           | 4                             | 8         | 31                  | 55    | 13      | 21        | 1           | 4     |
| Italy.....                                    | 27             | (b)       | 1             | 1             | 1                             | (b)                           | (b)       | (b)                 | 5     | 1       | 1         | 1           | (b)   |
| Netherlands.....                              | 2,387          | (b)       | 377           | 87            | 16                            | 21                            | 108       | 145                 | 190   | (b)     | 46        | 35          | 38    |
| Denmark and Ireland.....                      | 0              | (b)       | 1             | 0             | 1                             | 0                             | 1         | (b)                 | 8     | (b)     | 0         | 0           | (b)   |
| United Kingdom.....                           | 644            | (b)       | 215           | 37            | 130                           | 4                             | 33        | 70                  | 308   | 73      | 278       | (b)         | 54    |
| Other Europe.....                             | 471            | 87        | 166           | 28            | 85                            | 7                             | 16        | 28                  | 183   | 54      | 96        | (b)         | 4     |
| Sweden.....                                   | 180            | (b)       | 28            | (b)           | (b)                           | (b)                           | 21        | 4                   | 47    | 5       | (b)       | (b)         | (b)   |
| Switzerland.....                              | 272            | (b)       | 71            | (b)           | 55                            | (b)                           | 37        | 28                  | 82    | 13      | 1         | (b)         | (b)   |
| Other.....                                    | 20             | 1         | 1             | (b)           | (b)                           | 1                             | 1         | 2                   | 7     | (b)     | 1         | (b)         | 0     |
| Japan.....                                    | 863            | 36        | 74            | (b)           | 7                             | 53                            | 18        | 4                   | 238   | 168     | 11        | (b)         | (b)   |
| Australia, New Zealand, and South Africa..... | 25             | 8         | 3             | (b)           | 2                             | (b)                           | (b)       | (b)                 | 4     | 5       | 2         | (b)         | (b)   |
| Latin America.....                            | 644            | 178       | 278           | 20            | 168                           | (b)                           | (b)       | 44                  | 22    | 75      | 64        | 12          | 28    |
| Latin American Republics.....                 | 114            | (b)       | 17            | 2             | 18                            | (b)                           | (b)       | 3                   | 3     | 67      | 36        | 2           | 1     |
| Panama.....                                   | 63             | (b)       | 12            | (b)           | (b)                           | (b)                           | (b)       | (b)                 | 11    | 4       | 38        | (b)         | (b)   |
| Other.....                                    | 50             | (b)       | 15            | 2             | (b)                           | (b)                           | (b)       | (b)                 | 18    | 8       | 8         | 1           | 21    |
| Other Western Hemisphere.....                 | 530            | 178       | 287           | 22            | 172                           | (b)                           | (b)       | (b)                 | 19    | 8       | 8         | (b)         | 21    |
| Middle East.....                              | 83             | (b)       | 7             | 0             | (b)                           | 7                             | 3         | 0                   | 1     | 22      | 0         | (b)         | 15    |
| Israel.....                                   | 17             | 0         | (b)           | 0             | (b)                           | 0                             | 0         | 0                   | 1     | 19      | 0         | (b)         | 13    |
| Other.....                                    | 42             | (b)       | 7             | 0             | 0                             | 7                             | 3         | 0                   | (b)   | 14      | 0         | (b)         | 2     |
| Other Africa, Asia, and Pacific.....          | 78             | (b)       | 3             | (b)           | 2                             | 8                             | 1         | (b)                 | 35    | 30      | (b)       | 1           | 12    |
| Memorandum:                                   |                |           |               |               |                               |                               |           |                     |       |         |           |             |       |
| OPEC <sup>1</sup> .....                       | 49             | (b)       | 7             | (b)           | 0                             | 7                             | 7         | (b)                 | (b)   | 22      | (b)       | 24          | 5     |

<sup>1</sup> Less than \$500,000 (±).

(b) Suppressed to avoid disclosure of data of individual companies.

1. See footnote 3, table 2.

Table 17.—Income, 1980

[Millions of dollars]

|   | All industries | Petroleum | Manufacturing |               |                               |                               |           |                     | Trade | Finance | Insurance | Real estate | Other |
|---|----------------|-----------|---------------|---------------|-------------------------------|-------------------------------|-----------|---------------------|-------|---------|-----------|-------------|-------|
|   |                |           | Total         | Food products | Chemicals and allied products | Primary and fabricated metals | Machinery | Other manufacturing |       |         |           |             |       |
| All countries.....                            | 9,336          | 3,281     | 2,478         | 1,534         | 234                           | 254                           | 3         | 361                 | 2,389 | 961     | 884       | 187         | 218   |
| Canada.....                                   | 1,799          | 137       | 1,345         | 1,363         | 24                            | 62                            | (b)       | (b)                 | 68    | 178     | 24        | 88          | 13    |
| Europe.....                                   | 6,522          | 2,708     | 1,776         | 138           | 174                           | 842                           | 125       | 186                 | 519   | 295     | 597       | 24          | 22    |
| European Communities (b).....                 | 5,240          | (b)       | 1,544         | 148           | 158                           | 158                           | 148       | (b)                 | 737   | 278     | 508       | 54          | (b)   |
| Belgium and Luxembourg.....                   | 288            | (b)       | 54            | 1             | (b)                           | (b)                           | (b)       | (b)                 | 6     | (b)     | (b)       | (b)         | (b)   |
| France.....                                   | 226            | (b)       | 177           | 67            | 40                            | (b)                           | 16        | 16                  | 28    | 12      | 5         | 1           | 1     |
| Germany.....                                  | 147            | (b)       | 111           | (b)           | (b)                           | (b)                           | 8         | 106                 | 38    | 1       | 1         | 1           | 1     |
| Italy.....                                    | 39             | (b)       | 1             | (b)           | (b)                           | (b)                           | (b)       | (b)                 | 2     | 32      | 2         | 1           | 1     |
| Netherlands.....                              | 3,287          | (b)       | 297           | 0             | 1                             | 0                             | 168       | 144                 | 228   | (b)     | 0         | 41          | (b)   |
| Denmark and Ireland.....                      | 7              | (b)       | 0             | (b)           | (b)                           | (b)                           | 1         | (b)                 | 5     | (b)     | 0         | 0           | (b)   |
| United Kingdom.....                           | 1,201          | 13        | 264           | 44            | 74                            | 13                            | 4         | 117                 | 481   | 92      | 422       | 34          | 46    |
| Other Europe.....                             | 373            | (b)       | 11            | (b)           | 25                            | 1                             | 14        | (b)                 | 82    | 119     | 116       | (b)         | (b)   |
| Sweden.....                                   | 114            | (b)       | 13            | (b)           | (b)                           | (b)                           | 17        | (b)                 | 51    | 4       | (b)       | (b)         | (b)   |
| Switzerland.....                              | 228            | (b)       | 5             | 2             | 28                            | (b)                           | 1         | (b)                 | 186   | 35      | 2         | (b)         | (b)   |
| Other.....                                    | 32             | 2         | 3             | (b)           | (b)                           | 2                             | 1         | (b)                 | 22    | (b)     | 2         | (b)         | (b)   |
| Japan.....                                    | 728            | (b)       | 43            | (b)           | 22                            | 24                            | 1         | 1                   | 488   | 148     | (b)       | 8           | (b)   |
| Australia, New Zealand, and South Africa..... | 59             | 0         | 1             | (b)           | 2                             | (b)                           | (b)       | (b)                 | 7     | 24      | (b)       | 1           | (b)   |
| Latin America.....                            | 1,003          | (b)       | 384           | 13            | 134                           | (b)                           | (b)       | (b)                 | 100   | 157     | (b)       | 3           | 21    |
| Latin American Republics.....                 | 178            | (b)       | 23            | 6             | (b)                           | (b)                           | (b)       | (b)                 | 10    | 4       | (b)       | 1           | 7     |
| Panama.....                                   | 63             | (b)       | 14            | (b)           | (b)                           | (b)                           | (b)       | (b)                 | 121   | (b)     | (b)       | (b)         | (b)   |
| Other.....                                    | 114            | (b)       | 1             | (b)           | (b)                           | (b)                           | (b)       | (b)                 | 7     | (b)     | (b)       | (b)         | (b)   |
| Other Western Hemisphere.....                 | 826            | (b)       | 329           | 19            | 126                           | (b)                           | (b)       | (b)                 | 7     | (b)     | (b)       | (b)         | (b)   |
| Middle East.....                              | 73             | (b)       | 5             | 0             | (b)                           | 5                             | 3         | 0                   | 4     | 38      | 0         | (b)         | 1     |
| Israel.....                                   | 36             | 0         | (b)           | 0             | (b)                           | 0                             | 0         | 0                   | 2     | 38      | 0         | (b)         | 1     |
| Other.....                                    | 42             | (b)       | 5             | 0             | 0                             | 5                             | 3         | 0                   | 2     | 8       | 0         | (b)         | 1     |
| Other Africa, Asia, and Pacific.....          | 68             | (b)       | 1             | 2             | 1                             | 8                             | 3         | (b)                 | 18    | 48      | (b)       | 1           | 1     |
| Memorandum:                                   |                |           |               |               |                               |                               |           |                     |       |         |           |             |       |
| OPEC <sup>1</sup> .....                       | 60             | (b)       | 6             | (b)           | 0                             | 6                             | (b)       | (b)                 | 3     | 25      | (b)       | 27          | 1     |

<sup>1</sup> Less than \$500,000 (±).

(b) Suppressed to avoid disclosure of data of individual companies.

1. See footnote 3, table 2.

*(Continued from page 48)*

### **Fees and Royalties**

Fees and royalties consist of net payments by U.S. affiliates to their foreign parents for the sale or use of intangible property, such as patents, industrial processes, trademarks, and copyrights; rentals for the use of tangible property; service charges; and film and television

tape rentals. Net payments of fees and royalties, at \$0.5 billion, remained about the same as in 1979 (table 9). There were offsetting changes by industry; increases in petroleum and manufacturing, largely machinery and chemicals, were virtually offset by a decline in trade. The increase in petroleum reflected per-barrel royalty charges against production above certain levels from the North Slope. The increase in

manufacturing was largely attributable to a rise in the use of patents held by foreign parents. The decline in trade was mostly due to increases in *receipts* of service fees by an affiliate from its parent in the Middle East and of management and service fees by Japanese-owned affiliates for warranty work performed for, and training given by the affiliates to executives from, their parent companies.

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